

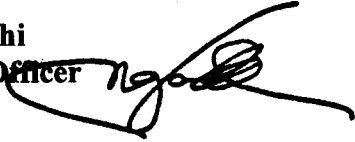
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: OCT 21 2008

SUBJECT: Fiscal Impact Statement: "Veterans Appreciation Scholarship Fund Establishment Act of 2007"

REFERENCE: Bill 17-27, Committee Print dated October 3, 2008

Conclusion

Funds are sufficient in the proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation would establish a segregated non-lapsing account called the Veterans Appreciation Scholarship Fund ("Fund") to be used for financial assistance for active duty military personnel returning to the District of Columbia who enroll in the University of the District of Columbia (UDC). The Fund would be funded through appropriations.

Subject to the availability of funds in the Fund, United States Military personnel whose service began on or after September 11, 2001 and who are residents of the District of Columbia would be granted reimbursement of tuition, fees, books, and "other materials" from the Fund for undergraduate and graduate courses at UDC for a period of four years after their return from active duty.

Financial Plan Impact

Funds are sufficient in the proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed legislation.

UDC estimates that it could absorb the administrative cost of implementing the proposed program with existing resources, but it may experience expenditure pressures if enrollment in the program is higher than anticipated. See “Additional Notes” below for information on the estimated number of participants in the proposed program.

Given that the program is not an entitlement but is subject to the availability of funds in the Fund, reimbursement would only be granted to the extent that funds are available in the Fund to support such reimbursement. Therefore, implementation of the proposed legislation would not impact the budget and financial plan until funds are appropriated into the Fund.

Additional Notes

According to data from the Office of Veterans Affairs (OVA), from September 2001 through March 2008,¹ approximately 1,564 District residents have been deployed either in the active duty or reserve forces. The actual number of District residents eligible for assistance under the proposed bill may be higher or lower than this number. The proposed bill applies to all residents who began service on or after September 11, 2001, not just those who deployed—this would likely *increase* the number of residents eligible for assistance. However, residents who began service before September 11, 2001 but deployed since then would not be eligible for assistance—this would likely *decrease* the number of residents eligible for assistance. The Director of OVA testified at a July 6, 2007 hearing on this bill that an estimated 10% of the veterans in service may seek tuition assistance, based on the fact that approximately 10% of veterans utilize the G.I. bill. However, as acknowledged by the Director of OVA, the actual number of those who seek assistance under the proposed bill may be higher or lower than this percentage.

The following page contains an illustration of the potential annual reimbursement costs based on different utilization rates and an estimated eligible population of 1,564 residents. It does *not* include costs for books or “other materials.” Figures for tuition and fees were obtained by the Office of the Chief Financial Officer from UDC.

¹ This is the most up-to-date data available on the OVA web-site.

Annual Reimbursement Costs of Proposed Bill
10% to 100% Utilization

Undergraduate

No. of Credit Hours	Cost of Tuition and Fees, Resident Undergraduate	No. of Veterans	10% Utilization	25%	50%	75%	100% Utilization
3	\$625.00	1564	\$97,750	\$244,375	\$488,750	\$733,125	\$977,500
6	\$940.00	1564	\$147,016	\$367,540	\$735,080	\$1,102,620	\$1,470,160
9	\$1,255.00	1564	\$196,282	\$490,705	\$981,410	\$1,472,115	\$1,962,820
12	\$1,570.00	1564	\$245,548	\$613,870	\$1,227,740	\$1,841,610	\$2,455,480
15	\$1,885.00	1564	\$294,814	\$737,035	\$1,474,070	\$2,211,105	\$2,948,140
18	\$2,200.00	1564	\$344,080	\$860,200	\$1,720,400	\$2,580,600	\$3,440,800

Graduate

No. of Credit Hours	Cost of Tuition and Fees, Resident Graduate	No. of Veterans	10% Utilization	25%	50%	75%	100% Utilization
3	\$985.00	1564	\$154,054	\$385,135	\$770,270	\$1,155,405	\$1,540,540
6	\$1,660.00	1564	\$259,624	\$649,060	\$1,298,120	\$1,947,180	\$2,596,240
9	\$2,335.00	1564	\$365,194	\$912,985	\$1,825,970	\$2,738,955	\$3,651,940
12	\$3,010.00	1564	\$470,764	\$1,176,910	\$2,353,820	\$3,530,730	\$4,707,640
15	\$3,685.00	1564	\$576,334	\$1,440,835	\$2,881,670	\$4,322,505	\$5,763,340
18	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Figures for tuition and fees provided by UDC to the OCFO. Costs do not include books or "other materials."